GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:473
ANSWERED ON:24.08.2001
ECONOMIC REFORMS
JAGMEET SINGH BRAR

Will the Minister of FINANCE be pleased to state:

(a) whether the economic reforms initiated by the Government have generated the desired level of employment;

(b) if so, the details thereof for the last three years;

(c) if not, the reasons thereof and the steps taken to achieve the targets fixed by the government;

(d) whether the Government are reviewing the economic reforms with a view to accelerating employment generation; and

(e) if so, the details thereof?

Answer

FINANCE MINKISTER (SHRI YASHWANT SINHA)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.473 FOR REPLY ON FRIDAY, THE 24TH AUGUST, 2001 BY SHRI J.S. BRAR REGARDING ` ECONOMIC REFORMS`.

(a), (b) & (c) Economic reforms are aimed at accelerating GDP growth, particularly in sectors, which are important for employment generation. The level, quality and growth of wages, incomes and employment in the economy is affected by the overall growth in the economy as measured by GDP, as also growth in population and consequent labour force.

The latest data on employment situation in the country, based on 55th Round (July 1999-June 2000) of Survey on Employment conducted by the National Sample Survey Organisation (NSSO) reveals:

- Employment in absolute numbers rose from 303 million in 1983 to 374 million in 1994 (2.04%) and to 397 million in 2000 (0.98%).

- The rate of growth of total employment declined from 2.04 per cent per annum in the period 1983 to 1993-94, to 0.98 per cent per annum in the period 1993-94 to 1999-2000. The labour force participation rates in all age groups declined in 1999-2000 as compared with 1993-94, which is reflected in a sharp deceleration in the growth of labour force from 2.29 per cent in 1987-88 to 1993-94, to 1.03 per cent in 1993-94 to 1999-2000. The deceleration in employment is therefore associated with the sharp decline in growth of labour force.

(d) & (e): The annual average GDP growth increased from 5.3% during the 12-year period ending 1991-92 to 6.3% during 1992-93 to 2000-01. However, given the current rate of expansion in the country`s labour force estimated at 8.7 million annually, the country would need to register at least 8 to 9% GDP growth per annum to bring about a significant improvement in the overall employment situation. A number of employment generation schemes are currently under operation simultaneously to provide short term gainful employment in rural and semi-urban areas, with particular emphasis on creation of assets for sustained employment generation.